ECONOMIC TRACTS. No. XX.

LABOR DIFFERENCES AND THEIR SETTLEMENT

A PLEA FOR ARBITRATION AND CONCILIATION

BY

JOSEPH D. WEEKS

NEW YORK
THE SOCIETY FOR POLITICAL EDUCATION
31 PARK ROW
1886

The Society for Political Education.

(*ORGANIZED* 1880.)

OBJECTS.—The SOCIETY was organized by citizens who believe that the success of our government depends on the active political influence of educated intelligence, and that parties are means, not ends. It is entirely non-partisan in its organization and is not to be used for any other purpose than the awakening of an intelligent interest in government methods and purposes, tending to restrain the abuse of parties and to promote party morality.

Among its organizers are numbered Democrats, Republicans, and Independents, who differ among themselves as to which party is best fitted to conduct the government; but who are in the main agreed as to the following propositions:

The right of each citizen to his free voice and vote must be upheld.

Office-holders must not control the suffrage.

The office should seek the man, and not the man the office.

Public service, in business positions, should depend solely on fitness and good behavior.

The crimes of bribery and corruption must be relentlessly punished.

Local issues should be independent of national parties.

Coins made unlimited legal tender must possess their face value as metal in the markets of the world.

Sound currency must have a metal basis, and all paper-money must be convertible on demand.

Labor has a right to the highest wages it can earn, uuhindered by public or private tyranny.

Trade has a right to the freest scope, unfettered by taxes, except for government expenses.

Corporations must be restricted from abuse of privilege.

Neither the public money nor the people's land must be used to subsidize private enterprise.

A public opinion, wholesome and active, unhampered by machine control, is the true safeguard of popular institutions.

Persons who become members of the Society are not, however, required to endorse the above.

METHODS.—The Society proposes to carry out its objects by submitting from time to time to its members lists of books which it regards as desirable reading on current political and economic questions; by selecting annual courses of reading for its members; by supplying the books so selected at the smallest possible advance beyond actual cost; by furnishing and circulating at a low price, and in cheap form, sound economic and political literature in maintenance and illustration of the principles above announced as constituting the basis of its organization; and by assisting in the formation of reading and corresponding circles and clubs for discussing social, political, and economic questions.

ORGANIZATION.—The Society is managed by a General Committee, selected from different sections of the United States. The correspondence of the Society is divided among five Secretaries, one each for the East, the Northwest, the Southeast, the Southwest, and the Pacific Slope.

It is suggested that branch organizations be formed wherever it is possible (and especially in colleges) to carry out the intentions of the Society. Any person who will form a Club of ten persons, each of whom shall be an active member of this Society, will be entitled to a set of the tracts already issued.

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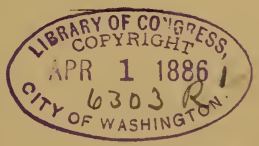

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PREFATORY NOTE.

The Society for Political Education includes in its regular series of tracts papers which it believes to be useful to the people and in harmony with its general line of work, without committing itself to details of argument or of opinion which may represent the individual judgment of the special writer rather than the general judgment of the Committee of the Society.

PREFACE.

THE conclusions presented in the following pages are the results of more than fifteen years' close and careful study of the labor question in two hemispheres. During most of this time I have held such positions as compelled me to be not a looker-on, but an actual participant in some of the most important labor contests that have occurred in this country. I have twice visited Europe especially to investigate the subjects discussed, and have been honored with the friendship and confidence not only of many employers, but of the labor leaders of this country and England. While I do not assume to speak for either employer or employed, it is believed that the views herein advanced, in their general scope, are in accord with those of the most liberal and far-seeing of both.

It is evident to those who have been brought into actual contact with those questions that arise between employer and employed, that the present prevalent hap-hazard method of settling them is not only inefficient but dangerous, and the necessity for some method that shall substitute reason for greed and force is both pressing and importunate. It is believed that under the present constitution of industrial society arbitration presents not only the best, but the only method that gives any promise of success. Whether such changes may not be made in the constitution of industrial society itself as to remove the cause of these differences it is not within the province of this discussion to enquire.

Pittsburgh, Pa., Feb. 1, 1886.

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LABOR DIFFERENCES AND THEIR SETTLEMENT.

CHAPTER I.

DIFFERENCES BETWEEN EMPLOYERS AND EMPLOYED.

So long as the present organization of industrial society continues, differences between two of the great classes of which it is made up, employers and employed, will of necessity arise. While it is true that in many of the relations growing out of their association they have a common weal, which in such relations permits of no antagonism, it is equally true that in others their opinions and interests diverge, and differences result. These differences will at times grow into disputes, and may end in industrial strife, that is, in strikes and lockouts.[1] Such contests are

[1] Strikes and lockouts I have elsewhere defined as "suspensions of work growing out of differences between employer and employed." A strike is a suspension of work resulting from a dispute originating in some demand of the employed—a lockout, in some demand of the employer. A stoppage of work, for example, resulting from a demand on the part of the employés at a works for an advance in wages would be a strike; a stoppage resulting from a demand by the employer for a reduction would be a lockout.

It is frequently difficult to determine whether a labor contest should be classified as a strike or a lockout. Practically the distinction is of little importance, except as it bears on the question of the relative tendency of employer and employed to take the initiative in these industrial conflicts. Unless, therefore, it is expressively stated to the contrary, the word strike in this discussion will include both strikes and lockouts.

so fraught with disaster, so full of waste and misery, that, ever since labor became free and wages paid, there has been no small solicitude to discover some speedy and efficient way of harmonizing these differences and preventing them from growing into disputes, or of settling these disputes, if unfortunately they arise, without a massing of forces and the shock and waste of conflict.

The chief causes of these differences are questions as to rates of wages. It is here that the interests of employer and employed begin to diverge, and it is concerning these questions that differences most frequently result in labor contests. In an enquiry into the strikes and lockouts of 1880 made by the writer for the Tenth Census, out of a total of 813 labor contests investigated, 582 or 71.59 per cent. were caused by differences as to rates of wages.[1] Of these 582 contests, 86 per cent. were for advances in wages, and 14 per cent. against reductions. While these exact proportions will not hold in all years nor in all sections and industries, it is true that by far the most prolific sources of labor disputes are differences as to wages. It will also be found upon investigation, that many disputes that are not primarily wages disputes, have a direct bearing on rates of wages, and are important only because of such bearing.

[1] The result of this investigation, so far as relates to cause, was as follows:

Causes.	*Number.*	*Per cent. of each to whole.*
Total	813	100.00
Rates of wages	582	71.59
Payment of wages	35	4.30
Hours of Labor	7	.86
Administration and methods of work	107	13.17
Trades-unionism	22	2.70
Miscellaneous	9	1.11
Not given	51	6.27

Apart from rates of wages the causes of these differences are legion. They may arise concerning the basis of computing wages; the method, time, or frequency of payment; apprenticeship; hours of labor; administration and methods of work, such as shop rules, labor-saving machinery, piece-work, objectionable workmen, etc.; trades-unions and their rules, and a thousand and one causes that need not be stated in detail. Nothwithstanding their number, however, it will be found that all causes of difference readily group themselves into three general classes:[1]

1st.—Differences as to future contracts.

2d.—Disagreements as to existing contracts.

3d.—Quarrels on some matter of sentiment.

In this classification the word "contracts" is to be regarded as including not only formal agreements, but those customs of the shop or trade, and those methods of work or of administration which, from long usage, have the force of contracts. In the first division would be classified differences as to future rates of wages, and those arising from attempts to change or abrogate existing agreements, customs, or methods, or to introduce new ones. Disagreements under the second class arise either upon matters of fact or construction, having in view existing agreements, customs, or methods, and not necessarily involving the validity of the contracts themselves, nor any change in their terms. Under the third class are included those quarrels that grow out of the offended *amour propre* either of the individual or the class.

It is in the first of these classes—"Differences as to future contracts"—which, as stated, includes questions as to future rates of wages, that differences most fre-

[1] This is practically Sir Rupert Kettle's classification.

quently occur, and in which there is the greatest difficulty in harmonizing conflicting interests and assimilating hostile views. What is "a fair day's wage for a fair day's work" is a most difficult and complex problem, and yet it is constantly recurring with ever-increasing frequency. Concerning its solution there are honest differences of opinion, not only in individual cases, but as to the basis, the principle upon which it shall be decided. Even when a decision has been reached it is not final and permanent, for the conditions existing when it was framed are not themselves permanent. What may be fair and equitable to-day may be unfair and unjust to-morrow, when the conditions differ from those of to-day. So, with the ebb and flow of the tides of business, of prices and demand, so frequent in these days of the increased effectiveness of labor and rapid transportation ; with the changes in methods of production or conditions of work, and the introduction of methods entirely new, so common in this age of invention, comes an ever-recurring necessity for a revision of the contracts or agreements governing the relation of employer and employed, and with it the possibility of differences as to what changes the differing conditions demand.

Disagreements of the second class relate to what is or has been, not to what shall be, and grow out of differences as to what really is the agreement or contract, or what is the custom of the trade—that is, as to matters of fact or of construction. The parties to a contract, if it is a verbal one, may honestly differ as to its terms ; or as to its construction, if it is a written one. It may be ambiguous or doubtful ; craft or cupidity may have violated it in spirit or letter or both, or it may be transgressed inadvertently. Labor may be performed under some conditions more onerous or more beneficial to one party or the

other than those the contract calls for, or under conditions not at all contemplated when the contract was made. There may be a doubt, honest or otherwise, as to just what the custom is under given conditions, but whatever form the question takes, it always refers to work performed or contracts that exist, though the decision may govern work to be done, possibly may re-frame the agreement.

Quarrels growing out of what I have termed "matters of sentiment" are happily less frequent than formerly. They may precipitate strikes, but labor contests now rarely result from these quarrels alone. Their chief cause is to be found in a failure to recognize fully that the relation of employer and employed is no longer that of master and servant. The employer curtly refuses to submit to what he terms interference or dictation, and the employé hotly and indignantly declines to recognize any assumption of authority on the part of the employer, or to entertain an idea of inferiority on his own. The interference or dictation may be only a plain, honest assertion by the employé of his own rights ; the act regarded as an assumption of authority an inadvertent one ; but with this old idea of the dominant and servient relation lingering, often unconsciously, in the minds and prejudices of both classes, and with a mutual distrust and suspicion, the inheritance of centuries of conflict still remaining, individuals, and more especially masses, are extremely sensitive to any act or word that in appearance even seems to recognize the existence of the old relations.

It will also be found that these "matters of sentiment," this offended self-respect of the parties to these differences, often defer their settlement, and prolong contests when they arise. The question at issue, which at first may be a simple one, unless some mode of settlement be

quickly discovered, becomes a complicated one. Ideas of fairness, generosity, justice, good faith, become involved, and the question assumes new phases, and presents questions that are most difficult of solution.

CHAPTER II.

SOME CONSIDERATIONS PRELIMINARY TO THE INVESTIGATION OF METHODS FOR SETTLING LABOR DIFFERENCES.

In seeking methods for the prevention or adjustment of labor differences, the results reached are often worthless or of little value, because the search has proceeded upon assumptions that are erroneous, or that are based upon conditions that do not exist. There is also, on the other hand, a failure or refusal to recognize conditions that undoubtedly prevail, and causes which experience proves are potent within the field of industry. No method for harmonizing labor differences that ignores obvious facts, or that refuses to recognize forces which play an important part in determining and adjusting the relations of employer and employed, can be of any practical value. Such methods, when tried, will either break down from lack of adaptability or from inherent incapacity, or if they act for a time, will fail when the strain for which they were not calculated is exerted.

That notable changes have taken place, especially within the last twenty-five years, in the theories, the conditions, and the relations involved in discussions of labor differences and their settlement, cannot be questioned. The theory of the relation of employer and employed has been recast, and their attitude to each other, and of both to the state and to society, greatly altered. Even the individuals of the class maintain quite different relations to each

other, and to the industry as a whole in which they are engaged. Legislative restriction of labor has been abandoned entirely or greatly modified, the laws of conspiracy altered, trades-unions legalized, and the body of labor legislation, beginning with the Statute of Laborers, and covering a period of 650 years, which has been "the effort of a dominant body to keep down a lower class which had begun to show inconvenient aspirations," practically removed from the statute-book. The common-law doctrine of non-restraint of trade and the theory of non-interference with the liberty of the subject have been greatly qualified by legislative enactments, such as the factory, truck, and employers'-liability acts; *laissez faire* has been degraded from an eternal and inflexible law to a simple rule of conduct that may change with circumstances; competition has been acknowledged to be imperfect; combinations are multiplying; the wage-fund theory has been exploded; and the economic man discharged from his onerous duties, and one with "sympathies, apathies, and antipathies" employed in his stead. In the face of all these changes it needs no argument to show that the methods of thought and action that prevailed, and assumptions based on the conditions of years ago, are of little value now. He will most assuredly lose his way who attempts to direct his search for methods of adjusting labor disputes by the political economy prevalent a generation since.

On the other hand, he will commit as grievous an error who fails to recognize the new conditions and to frankly accept the limitations and methods which they impose. As a result in part of these changes, as well as of the quicker and broader grasp of the age, the sources of discontent and the causes of difference have greatly multiplied. The problem is assuming greater complexity

with every year. As has been pointed out, rates of wages are not now the only subjects at issue. Questions which, under the views held or the conditions that obtained a generation ago, could not possibly have arisen to disturb the relations of employer and employed, are now of every-day occurrence. Production is carried on under different conditions, the rewards of labor are calculated on a different basis, and labor itself holds different relations to production and to the other members of industrial society.

In these changes, as was to have been expected from the fact that it was not its interests which had been consulted in determining previous conditions, and in the adoption of old methods, labor has profited the most. With its growing power and intelligence, with its larger liberty and freedom of action and combination, with the removal of the legislative burdens under which it staggered and the imposing for its benefit of other—not on labor itself directly, but on industry,—and with the abandonment of certain economical theories that rested upon it like a horrible nightmare—illusory, but as dire and distressing as though real,—labor has come into possession of a new and larger life. The old methods of dealing with the questions that affect its interests and relations, or methods that are based upon the old conditions and old views, are no longer effective, nor will they be longer tolerated. No more serious error can be committed in seeking and applying methods for the prevention or adjustment of labor differences than a refusal or failure to recognize, with all it involves, the new relations of labor and the drift of thought and action among working people. Such an error is fundamental and vital, and, so long as it remains uncorrected, industrial peace is impossible.

And yet, through the force of old habits of thought and old methods of action, even among those who ordi-

narily desire such peace, there is a neglect or failure to recognize the new conditions, and to frankly accept the limitations and methods which they impose.

The source of this error is chiefly in the idea, inherited from feudal days and justified by much of the legislation and political economy of modern times, that the employer is the superior, the employé an inferior; that it is the right of the former to determine, the duty of the latter to acquiesce. This view does not often express itself bluntly in words, but it does more or less unconsciously in acts. The employer assumes the sole right to determine, and refuses to discuss questions that arise in connection with wages or the details of employment, in the decision of which the employé has an interest equally with the employer, or, if such discussions take place, they are "permitted"; an interview is "granted." In case of a meeting, the employer assumes the right to dictate its method. "No committee will be recognized." The employer also claims the right, in many cases, to determine the relation an employé shall hold to his fellows, and prohibits his membership in a union. In all of these, and in many similar cases, there is an assumed superiority of condition which does not exist in reality, however much it may be asserted by word or act. The true relation of employer and employed is that of independent equals, uniting their efforts to a given end, each with the power, within certain limits, to determine his own rights, but not to prescribe the duties of the other. The employer has no more right to dictate or even decide how labor shall seek its interests than labor has to dictate to the employer. Whatever may be the views of the latter as to trades-unionism, it will be well, in most cases, especially in great centres of industry or in those employments uniting great bodies of men under one

management, if, with the best grace possible, he accept the fact of combination and deal with its representatives. Such combinations, with all their faults and follies, are not entirely bad.

It is possible that this assumed superiority grows out of a false idea as to the source of wages. Even among those who accept the theory that the wages question is a problem in distribution, and that wages are paid out of product, there is an impression that the employer pays wages, and that therefore he has a certain superior right to determine what these shall be and to settle the conditions that affect the rates of wages. It seems scarcely necessary to remark that in no true sense are wages paid by the employer. Under the organization of industry, the product, the result of the joint effort of employer and employed, goes into the keeping of the former and he advances to labor what has been determined upon as its proportion, recouping himself for this advance from the pledge in his possession—that is, the laborer's proportion of the product. The object of the employer is profits, and it is the business of the employé to see that they are not excessive. When any change is proposed in wages or methods of work it is the employé's right to know the reasons for the same, and to refuse to accept those advanced as conclusive as to the necessity for the change if they do not, after inquiry, so appear to him. The assumption of many political economists that the interests of these two classes are identical, that the employer is best able to judge what is expedient, and that therefore the employé should trust his interests to him, assured that if he takes excessive profits they will, under the action of economical forces, be restored speedily and surely in increased wages, is both absurd and dangerous. The tendency of these economical forces under present con-

ditions is the perpetuation and deepening of industrial injustice. The interests of employer and employed are not identical in the sense intended. It is the interest of the former to give as little, of the latter to get as much as he can ; and to concede to the employer any but an equal right with the employé in deciding the conditions of employment would undoubtedly result in the industrial degradation of the workingman. The argument is similar to that advanced to justify slavery or rule by an oligarchy. The only way in which the rights of either class can be secured and maintained is by placing them in their own keeping. Labor is as competent to care for its interests as the employer is to care for his, and more so than the latter is to care for them.

In seeking, then, a method for the prevention or adjustment of labor differences, care should be taken on the one hand not to assume conditions that have passed away, and thus to adapt the method to a state of affairs that no longer exists. Equal diligence, on the other hand, should be given to ascertaining what are the conditions of the present, in view of which the method is to be applied These conditions and the method should be sought without any preconceived ideas as to what are economical truths. As in practical legislation "the first step is to throw aside all supposed absolute rights or inflexible principles," so in formulating an expression of the way in which it is conceived that these difficulties can best be met, no preconceived idea of what is economically sound should stand in the way of the adoption of what either experience or reason shows may be effective. The thing sought is a practical rule, a mode of action, not the discovery of scientific truth. The end will often be found only as the result of the balancing of probabilities of good and evil.

It is also important, whatever may be adopted, that the parties to the differences, if they do not always, as it is impossible they can, accept the result reached as correct, shall at least have such confidence in the method by which it is attained as to accept it.

It should also be constantly kept in mind that it is chiefly "differences" and "disagreements," not "strikes and lockouts" that are to be avoided and settled. Too much stress cannot be laid upon the fact, so often ignored or forgotten, that strikes are not the beginnings of industrial strife. Their source is in the differences and the controversies to which such differences lead. It is also of the highest moment to realize that industrial peace, with all of its blessings, is to be best secured, not by settling strikes and lockouts when they arise, but by preventing their occurrence.

CHAPTER III.

METHODS FOR SETTLING LABOR DIFFERENCES. — THE THEORY OF COMPETITION.

A CONSIDERATION of the methods suggested for the prevention or settlement of labor differences shows the prevalence of two widely dissimilar theories as to the proper mode of procedure. One assumes the existence and efficacy of what are termed economical laws or forces, whose action is inevitable, and to which, without any interference, must be left the settlement of these vexed questions. The other theory, while it recognizes the existence, and, within certain limits, the authority, of economical laws, denies that they are fixed and unalterable, and asserts both the right and obligation of interference under certain conditions.

In the application of these theories the advocates of the first insist that all labor differences and disputes not only shall be, but in the nature of things ultimately must be, left to settle themselves by free competition between the individuals interested, without any attempt on the part of the state or of other individuals to control the result. The advocates of the second theory insist upon the right of interference, not only for the purpose of directing or limiting the action of what the first class term economical laws, but even for their contravention or abrogation. This interference is usually exercised by some organized body, as the state, trades-unions, employers' associations, or by committees or boards composed of both employers

and employed, formed for the specific purpose of dealing with these questions. The advocates of this theory do not assert that all methods or all instances of interference are wise or effective, nor do they feel bound to adopt and approve all measures that refuse to recognize the principle of *laissez faire* in dealing with differences between employer and employed. They only assert the right of interference, leaving each expedient to be judged by itself.

Under these two theories four methods have been suggested for the prevention and settlement of labor differences :

1st. *Laissez faire* or Competition.

2d. Legislative Enactments.

3d. Strikes and Lockouts.

4th. Arbitration and Conciliation.

The first of these methods recognizes the validity of the first of the theories above stated. The last three are all based upon the second theory, but the modes of interference with the so-called economical laws differ, being respectively, by statutory law, by force, and by reason. The first method will be considered in this chapter, leaving the discussion of the others to a subsequent one.

By far the most prevalent of these theories is the first, that of *laissez faire*, or of unrestricted competition. There is rarely a discussion of labor differences, whether it be theoretical or practical, in which there is not urged this theory of the sufficiency of competition. It is asserted that not only will competition determine accurately and inevitably what is a "fair day's wage" for a "fair day's work," but that it will redress all economical grievances and level all inequalities. Even when it is acknowledged that there is not perfect competition, its advocates will disguise it, often unconsciously, under other names, as the law of supply and demand, and insist upon the

absurdity, as well as the criminality, economically, of any interference with these so-called immutable laws.

This theory, as is well known, assumes that both employer and employé understand what is their highest interest in an economical sense, and will surely seek it. The employer will inevitably strive to get his work done at the lowest possible price, and the employé will as surely endeavor to secure the highest possible wages, and as the result of this contest waged by each to get all he can, there will result perfect justice to all. If from any cause there shall be temporary injustice—that is, if wages are too high or too low, or some of the conditions of work too oppressive or too lenient, then under perfect mobility, which is also assumed, labor will seek that place or that employment where this wrong does not obtain, the existing evils will be corrected, and the conditions again become those of exact justice.

The sufficient objection to this theory is that under the constitution and methods of the industrial society of to-day, which is the one in whose interest we are seeking a way out of these difficulties, there is not and cannot be that mobility of labor, that perfect facility of movement from one point to another, or from one employment to another, which is the essential condition and only justification of this theory. It is not denied that there is a degree of mobility, but it is by no means as great nor as prompt and unimpeded as is claimed. The obstacles in its way are not exceptional and temporary, but many and serious. They grow out of all the relations, social, political, and religious, which the members of industrial society hold to each other and to the society in which they live, and they exist in varying degrees and varying phases in all industries and all nations.

A moment's consideration of the facts evident in our

own country, where the mobility of labor is perhaps greater than in any other, will show the wellnigh insurmountable obstacles to this assumed facility of movement, and consequently the utter inadequacy of any method for harmonizing the relations of employer and employed based upon this theory. Chief among these at the present moment is the opposition to what is termed "foreign labor." This is most marked and general against the Chinese. It is as bitter, however, in many sections, notably in some of the mining regions of Pennsylvania, against Italians, Hungarians, Poles, and other nationalities. This opposition has found national expression in the passage by Congress of the "Anti-Chinese Bill" and the "Contract-Labor Bill." Of a similar origin and character is the opposition to what is known in different industries as "black-sheeping," "ratting," or "scabbing," or the acceptance of employment by working-men at rates of wages or upon terms not acceptable to their fellows. This opposition is also directed against those workmen who accept, even upon terms and wages that are satisfactory, the situations of other workmen who have been "victimized" or refused employment because of their advocacy of the employé's side, or of their refusal to adopt the views of the employer in time of difficulty and differences. The violence that has attended the employment of foreigners, as well as that frequently following an effort of labor to transfer itself, either upon its own volition or under agreements with employers, from one section or one industry to another; in a word, the attempts of labor to migrate, to seek the best market, are often so costly, so dangerous to person and property as to seriously obstruct mobility where the conditions referred to exist.

Where there is neither personal violence nor wanton

destruction of property, there is frequently a social and industrial outlawry visited upon workmen who "black-sheep," that is more feared and dreaded than either. This sentence of outlawry is passed without appeal, and by a body not amenable to any power. It is scarcely ever removed. It bars the way to social enjoyment, to friendly intercourse, and, if possible, to future employment. It follows the victim into all the relations of life, and falls with most crushing force upon his wife and children, if, unfortunately for him and them, he is thus blessed. This is one reason why in many strikes it is found that the women and children are most persistent in urging no surrender. With all this sure to come, he is a man of more than ordinary courage, or compelled by an impulse of unusual force, who would accept a situation temporarily left vacant in consequence of a labor dispute, or who would continue or resume work at rates or upon conditions his fellows decline. In a word, under these conditions, in many industries, mobility of labor is wellnigh absent.

In addition to the class of obstacles to mobility, of which those already named may be regarded as types, and which are the results of active opposition from without, there is another class full as potent and more universal, which are mainly subjective, and arise from the constitution and environment of the individual. Among these are attachment to home and friends and locality, those arising from timidity, or fear, or ignorance, and, more than all others, that positive prohibition of movement growing out of the want of food upon which to subsist while seeking the best market, and of the money necessary to migrate to the same. How, for example, can a laborer, burdened with debt and a family, change his employer or shift his place? The mobility of labor is to him a

hollow mockery, and any method for securing to him justice based upon mobility a heartless farce. He can only submit in sullen despair to every exaction and every injury.

In view of all these obstacles to the mobility of labor it is difficult to understand how this theory of competition, based upon an assumption that is false, can honestly be offered as a sovereign remedy for labor difficulties. If it be asserted that these obstacles are exceptional and temporary, I answer that experience shows the contrary. They are constant in their action, and some of them recur with rapidly increasing frequency. If it is urged that the difficulty rests not with the theory but with the obstacles, and that these can be removed if economical laws are but allowed full play, I answer that there is wide difference of opinion as to what are economical laws, many urging that these obstacles are as legitimately economical forces as the forces with which they interfere. The magnetism which arrests the iron falling to the earth, under the impulse of gravity, is as legitimate a force as gravity itself, and, properly applied, as beneficial. Associated action may be as legitimate a force as gravity, and, properly applied, as beneficial as competition, or individual action. But however strongly it may be urged, there is no evidence that competition will remove these obstacles, or, if it does, that it will act in the interests of justice. The tendency of economical forces acting without direction or guidance is not to right economical wrongs, or establish justice, but to perpetuate and augment existing burdens and add others.

I have dwelt upon this failure of labor to seek surely and swiftly the best markets because mobility is an essential condition of the theory of competition, and if from any cause it fails, either in whole or in part, then to that

extent at least, and in the circumstances in which it fails, competition is inoperative and does not furnish a method for the prevention or settlement of labor difficulties.

But there are other directions in which this theory of competition either fails altogether, is operative only to a limited extent, or is subject to control and regulation. There is, for example, in the assumed potency and infallibility of the law of supply and demand, an assertion of the sufficiency of competition that is wellnigh universal, and yet competition in this phase has by no means the authority nor the efficacy that is popularly ascribed to it. This law is assumed to affect and regulate wages in two ways: First, the supply of labor increases or decreases wages as it is less or greater than the demand; and in the second place, the supply of goods produced, in proportion to the demand for the same, fixes their price, and consequently, indirectly, the wages that can be paid in their production.

That this law has an effect in both of these directions cannot be questioned, but that it fails to act altogether under certain conditions, as of combination, that it has a limited effect in others, and that it is always subject to control or regulation, are equally true. There are many cases in which labor, while it has permitted this law a certain range, has said to it "thus far and no farther," and in the face of a marked and evident over-supply of labor, and, notwithstanding serious reductions in the prices of product, it has fixed and maintained through a series of years a limit below which wages have not been permitted to fall. Combinations of manufacturers have, in like manner, in the face of an over-supply, maintained and advanced prices, and so avoided the necessity of wages reductions.

These are evidences of the power of both employer and

emyloyé in the presence of an over-supply of both labor and product, to control, and, at certain points, prevent entirely, the action of this law. Experience further shows the power of both, for a time at least, to regulate and control the supply, and in a less degree the demand, for goods and labor, and thus modify the action of the law. Restriction of production by individuals or combinations, assisted immigration, rules regulating the number and qualifications of those who shall be taught certain skilled trades, are some examples of the exercise of this power. It may not always be wisely used, but the power exists.

There is one feature of the action of this law of supply and demand, as it relates to wages, that is deserving of careful consideration. This law involves the assumption that labor is a commodity to be bought and sold, and that the price of this labor is to be determined, as is the price of all other commodities, in the open market. Without stopping to discuss whether labor is a commodity in the same sense or subject to the same rules that apply to a bale of cotton or a ton of lead, it is pertinent to ask, granting that it is, Where is the labor market where buyer and seller can congregate, and where can be carried on what Adam Smith terms the "higgling and bargaining of the market"? The price due to supply and demand is not indicated by a single transaction made in private, nor in a multitude of such transactions made publicly. A year hence these private transactions may become known, and then we can tell what the market was to-day; but this is of no practical value to the laborer who wishes to sell his labor to-day. What he needs is some labor exchange, where numerous buyers and sellers can come together, with its bulletins, with authentic information as to abundance or lack of orders, its figures of accumulated stocks, competition, and other elements that determine

supply and demand, and out of the multitude of whose transactions one can deduce a mean, which is the state of the market. Is there any labor market except as an abstract idea? Is it not folly to say that the transactions between an individual and an employer in the privacy of a counting-room, with hunger and want forcing the laborer perhaps to accept what is offered—is it not folly to say that such a transaction, or any number of them, constitutes in any sense that is a practical one, an open labor market, where the law of supply and demand has free action? Even if it did, must industry halt or accept wages below the market, or must the employer pay wages above the market until out of the thousands of these individual transactions, spread over a considerable period, the true market be established? No number of private transactions can make a market open, free. If demand and supply regulate wages, then there is an urgent necessity for a market where the wages of labor can be adjusted without waste or delay.

There is another direction in which the *laissez-faire* method fails to be the perfect cure for labor differences its advocates assert it to be. Granting to competition all that is claimed, there is still a large class of questions which, from their very nature, it is powerless to determine. Among these may be mentioned those involving the interpretation or enforcement of agreements entered into between employers and employed. It is difficult to conceive how competition can define the meaning of ambiguous terms, or how, in case of a difference as to what the custom of a trade is, *laissez faire* could surely and speedily settle it, even when these questions involve honest differences of opinion. It might perhaps settle the meaning for the future, or determine what the custom shall be, but this is not by any means the same as deter-

mining the true meaning of the contract as originally drawn, nor as deciding as to work done. When the difference is not an honest one, and need or greed compels the acceptance of a forced or wrong interpretation, then there is no settlement which deals out to both employer and employed exact or even approximate justice.

I trust that I have succeeded in establishing what observation and experience appear to me to prove—the utter inadequacy of competition under existing conditions for the prevention and settlement of labor differences, and that there are forces, which at times are more powerful than the assumed individual impulse toward the best market, which regulate and modify and even thwart competition.

But it may be pertinent to ask, even granting this, is it as it should be? Is it wise to prevent or in any way impede the action of this force? Those who assert that this law is an eternal and immutable one will answer no. It may, however, in opposition to these economists, be fairly questioned if there are any economical laws with the authority claimed for this one, or that impose upon the individual or upon society any such obligation as is assumed to exist in competition. In discussing the principles of industrial legislation, the late Prof. Jevons says: "The first step must be to rid our minds of the idea that there are any such things in social matters as abstract rights, absolute principles, indefeasible laws, unalterable rules, or any thing whatever of an eternal and inflexible nature." This is equally true of discussions of labor differences. There are no economical forces that are eternal and commanding. The so-called laws are only expressions of an observed tendency of affairs or of human action. When there is an observed tendency in other directions, then

the law which is its expression, is as commanding in its own sphere as that of competition and may clash with it. Which of these laws or forces it is best to apply in a given case is entirely a question of probabilities and degree, not of right and obligation.

On the whole, I do not believe that the tendency of the theory of unrestricted competition and the play of this law in production and distribution are conducive to the highest good. It teaches that man is to be regarded as governed by but one, and that not the highest nor most powerful of human motives—the desire to acquire and consume wealth, a desire that has brought untold misery to mankind. It asserts the right of the buyer to purchase commodities at the lowest possible price to which he can force the same, and denounces as interfering with an eternal law any attempt on the part of the seller or the workman in combination with his fellows to maintain a price or a wage that shall preserve his financial existence, or give him the necessaries and some of the comforts of life. It is by no means self-evident, nor is it capable of proof that it is in accordance with public policy that goods shall be sold at rates that mean great loss or ruin to the manufacturer, or that wages shall be paid that mean distress to the workmen, when by combining, fair profits and good wages can be obtained. It also denies to a score of employers or employés associated together the right to pursue a course which their judgment dictates, while it would freely concede to the same score of individuals acting as individuals the right to pursue precisely the same course. This is absurd.

Further, the logical results of the application of the theory we have been discussing are strikes and lockouts. The theory assumes that when wages are too low the employé will and should seek other employment ; that is a

strike : when too high, the employer will cease production, or give employment to those that will accept the rate he judges he can pay ; that is a lockout. If the theory of competition is sound, then these stoppages,—these strikes, are not only justifiable, but are absolutely necessary and commendable.

This theory is most dangerous in its teachings and tendencies. If it be taught as true and as the only theory which accords with eternal law, that there is an irresistible impulse on the part of both employer and employed for each to get all he can as against the other, governed in his action only by his desire to accumulate wealth, and that such an impulse and desire are commendable, then each is justified in acting upon this selfish desire without reference to any other motive of human conduct. This means contest, continually, logically, and justly so. The views of employer and employé as to what are fair wages or fair profits scarcely ever agree, and then comes strife, for each will try to impose his views upon the other. This theory, then, places the two chief classes of industrial society over against each other and urges them to the conflict, calmly and complacently assuring them that out of this selfish struggle will result complete justice. This is a most dangerous theory to teach men. It strikes at the stability of society. It means anarchy. May not ignorance or greed answer in the hour of their partial triumph : You taught us that the controlling and only motive of human action, so far as relates to production and distribution, is the desire to get wealth ; it is upon that motive we act.

But beyond all this, the suggestion that competition should be the controlling motive of human action in connection with economical matters is out of all harmony with the spirit of the civilization in which we are placed.

It is asserting the necessity and rightful dominance in civilized society, which is based upon association, of the spirit that is the ruling one in the lowest state of savage and brute existence, that of struggle, of contest, of competition. Its methods may be somewhat different, but it is none the less the same spirit and seeking the same ends. "'T is true, and pity 't is 't is true," that "trade is utterly selfish," and it will always be so while it is taught that competition should be the governing force in its transactions, but it is neither necessarily nor justly selfish. The tendency of the teachings as to the proper motives of action in all other relations of human life is against selfishness. There is ever a determined effort to reduce its influence to the lowest point. I submit, therefore, that it cannot be true that selfishness is the proper motive nor that its methods are commendable in this sphere of activity that consumes so much of the time and thought of civilized society. Such a belief involves the assertion that the principle underlying the instructions of that marvellous Teacher, himself from the ranks of labor, and who had the deepest knowledge of the springs of human action, was a false one. The theory of Christian civilization is not of competition but of association.

CHAPTER IV.

METHODS FOR SETTLING LABOR DIFFERENCES (CONTINUED).—THE THEORY OF ASSOCIATION.

THE second theory regarding methods for preventing and settling labor differences I have termed the Theory of Association, as it is usually through associations of individuals that its action becomes manifest.

This theory, while recognizing the existence and, within certain limits, the authority of what the advocates of competition or individual action regard as the only legitimate economical laws, denies that they are fixed and unalterable, and asserts both the right and obligation, under certain circumstances, of interference with these laws and their action. It also asserts the existence of other forces as legitimate and commanding as competition, and of agencies through which these forces, competition included, may not only be rightfully applied, but through which new industrial conditions may be created and existing ones removed or modified. At the same time it does not assert that all methods, nor all agencies, nor all instances of the use of these methods and agencies are wise or effective, nor do the advocates of this theory feel bound to adopt and defend all measures refusing to recognize the principle of *laissez faire*. Each must be considered and judged by itself.

As to the rightfulness of this theory of associated action, it may be said that in all other departments of human activity, in church and state, in efforts for moral and

social advancement, in benevolent and humanitarian work, this principle not only prevails, but experience proves that it secures the most efficient action and the best results. Even in the departments of activity to which the questions we are considering pertain, production and distribution, this is the ruling mode of action. Capital is associated and labor is associated in the production and distribution of goods, and as a result of this combined action, they are produced cheaper and distributed at a lower cost and more swiftly than they could be by the old methods of individual action. The invention of the steam-engine, and the resulting abandonment of the domestic system, and the prevalence of the factory system, as well as the adoption of other methods of associated action, have largely multiplied the efficiency of the individual, increased wealth, and improved the workingman's condition. I confess I see no reason why this principle, which is so universal in other directions, and so beneficial, should not be brought to the discussion and settlement of these questions that arise between employer and employed. So far as I am aware, competition or individual action has in no instance been imposed upon humanity by any competent authority, while it is beyond question that the only absolute and unerring authority recognized generally in the civilized world has imposed upon mankind the principle of associated action.

But whether the rightfulness of associated action be recognized or not, there is a necessity and obligation that should compel its adoption. The individual cannot ignore the fact that he is a part not only of society as a whole, but of one or more of the groups into which it is divided. He must not and can not in justice be permitted to refuse or even to neglect to consider what the effect of his action upon others associated with him in

various relations may be, and he is bound to have in view their interests. He cannot act as an isolated individual. He must recognize and in a measure conform to their wishes and their judgment; that is, he cannot act entirely upon his own judgment "in subjection only to his own sense of his own interest."

Further, the basis of action, whichever theory is adopted, is supposed to be judgment, in one case that of the individual, in the other that of the association. Now which judgment is more likely to be correct? "The crowd," says Aristotle, "makes better general judgments than any individual whatever." . . . "The multitude is less liable to sinister influence than the few, for when the individual is influenced by passion or any similar impulse, his judgment must be distorted, while it is hard for all collectively to be led by passion or to err." Reasoning *a priori* it would appear that the judgment of the many, of the association, is more to be trusted in these labor matters than that of the individual. In making this statement it is not forgotten that the crowd, if it is a mob, may be inflamed and act with a want of judgment that the individuals would not have manifested, but the associated action of which we speak is not that of a mob. It is also true that when the association is made up of the members of but one class, with the same purpose, the same grievances, the same passions, the judgment may be a biassed one, but not necessarily more so than that of each individual, and a biassed judgment is not always an unjust one. But when the association is made up of both classes and from both parties to these differences, then the judgment of such a body, with its opportunities for ascertaining both sides of the question, and for securing information that is not possessed by both, then the probabilities are that the determinations of

such a body are more nearly right than those of individuals actuated only by their individual sense of their own interests.

As we stated in the preceding chapter, three modes of procedure under this theory of association have manifested themselves, as follows :

Legislative Enactments.
Strikes and Lockouts.
Arbitration and Conciliation.

The first of these methods is by that association of individuals called the state ; the second, by associations of employers and employed in antagonism [1] ; the third, by associations of employers and employed co-operating.

There are two distinctly marked epochs in the history of labor legislation. The first marked the dominance of the employer. In it all legislation relative to labor was in his interest and had as its objects "to cheat the workman of his wages, to tie him to the soil, to deprive him of hope, and to degrade him to irremediable poverty," and this not as the result of accident or inadvertence, but by the deliberate malignity of governments and parliaments.[2] In the second epoch, the present, the tendency is to the removal of the burdens which custom and centuries of unjust legislation have placed upon labor, and the enactment of new laws for its protection and benefit. The first epoch may be regarded as beginning with the ordinance of Edward III. in 1349 ; the second, with the elder Sir Robert Peel's act in 1802.

It is chiefly to England that we must look for that body

[1] There may be strikes and lockouts that do not involve an association of either employer or employed, but they are rare. A combination is usually a feature of these labor contests.

[2] "Six Centuries of Work and Wages," Prof. J. E. Thorold Rogers, New York, 1884, page 398.

of experience which will enable us to judge of the wisdom and efficiency of legislative enactments as a method for dealing with labor questions. In the first epoch, that of the dominance of the employer, English law and those who administered it sought chiefly the accomplishment of five ends :

1st. The regulation or fixing of wages.

2d. The prevention of the "locomotion" of the laborer.

3d. Enforced service.

4th. The prevention of combinations of labor.

5th. The industrial slavery of youth, or compulsory apprenticeship.

It is not my purpose to recite the story of the legislation of these five hundred years, nor to detail the struggles of labor against its iniquities. All attempts to secure by legislation the ends named have been definitely and probably finally abandoned. The experience of these centuries has taught not only the injustice and injury to all classes of such attempts, but the futility as well. As a means of dealing with questions that are properly classes under these heads, legislative enactments may be regarded as condemned by the verdict of experience.

In the second epoch the chief work of legislation has been the removal of the iniquitous and oppressive laws of the first period. In addition to this there has grown up a body of positive legislation, largely in the interest of the employé, of a very different character from that of the first epoch, and dealing with entirely different subjects. These laws relate chiefly to the health and safety of life and limb of the workman, though in some cases they have sought in other ways to secure and increase his welfare. Among the positive provisions for the benefit of the employé are those regulating the hours and condi-

tions of employment in certain dangerous and unhealthy trades, as mining and match-making ; those defining and extending the liability of employers in cases of accident and death ; those regulating and, in many cases, forbidding, the employment of women and children ; those providing for the inspection of factories, workshops, and mines ; those forbidding truck, regulating the frequency and place of payment of wages, the hours of labor, the methods of screening and weighing coal, etc.

All of these laws relate to subjects that have been prolific causes of labor differences, and to the extent that they regulate or deal with them, to that extent, at least, they reduce or remove the liability to discontent.

As to the wisdom and right of most of these laws, there is on the whole a general agreement. Some who are concerned as to the fate of certain theories, and others with whose interests they seem to conflict, condemn them and hold that in all or most of these matters the individual is amply able and should be left to protect himself. On the other hand, not only employés, and the wisest of modern economists, but even employers are coming to realize that these laws are not only just but that they are wise as well. Many causes of dispute have been removed and labor has been made more efficient, more intelligent, and more contented. The fear as to the evil results that would ensue has not been justified, but, on the contrary, benefit instead of injury, strength instead of weakness, have been the consequence.

The failure of the legislation of the first epoch, as well as its unjust character, cannot fairly be urged, as it frequently is, as conclusive against all legislative interference with labor questions. The legislatures of this period were for the most part the representatives of the aristocratic class, not of the people, and the legislation was essentially class

legislation, solely in the interests of a class, and that class not the people. The legislatures of the present are more nearly representative of the people of all classes, and their enactments are consequently more likely to be in the interest of all ; its judgments, as in the framing of them all classes unite, or, at least, all classes can make their wishes known, are surer to have in view and to register the combined wisdom of the state, and therefore to be more accurate and just.

The method of dealing by legislative enactments with questions such as those just mentioned is, we think, on the whole, a safe, wise, and effective one. The manner, the occasion, and the use of the law must always be somewhat in doubt, and at times raise most serious and complicated questions. Mistakes will be made, but these will soon manifest themselves and be corrected. The difficulty will not be with the method but with its application. As human judgment is, after all, the ultimate resort and the controlling influence in whatever method is adopted, it is as fair to presume that in those matters which experience has shown to be legitimate subjects of legislative enactment, the judgment of Parliament and legislatures, elected as those of the present day in English-speaking nations are, will be as correct as that of individuals moved by a desire to procure wealth.

Probably no subject connected with labor differences has been more thoroughly discussed than that of the advisability and rightfulness of strikes and lockouts. Indeed, this whole subject in many minds resolves itself into a question how to avoid and settle strikes and lockouts, and not what method shall be adopted to prevent or remove labor differences, which are the cause of these labor contents.

That the statistics of strikes and lockouts seem to

prove their folly cannot be denied. The waste and loss and misery resulting from them is unquestioned, and the direct results secured not at all proportionate to the cost. Statistics also show that strikes are not, as a rule, successful in obtaining the specific thing demanded. In the writer's Census Report before referred to, statistics more or less complete are given of 762 strikes that occurred in the United States in 1880. In 414 of these, 128,262 persons were engaged. The report gives quite full returns from 226 strikes, in which 64,779 persons took part. The time lost was equal to the work of one man 1,989,872 days, and the wages unearned for this time $3,711,097. Of the direct losses in the remaining 506 strikes no statement was received, nor of the indirect losses to capital, to the workmen not directly engaged, and to the wealth of the country. It is probable that the striking workmen recouped their losses in part from their society funds and from contributions, as well as by working at other employments ; but after all allowances are made, it still remains a deplorable fact that the waste and loss from these strikes was enormous.

A paper on strikes in Great Britain from 1870 to 1879 was recently published by Mr. G. Phillips Bevan. Reports and some information concerning 2,352 strikes are given. The "loss in wages" alone from 114 of these strikes was $5,067,825. Of 351 of the strikes reported upon by Mr. Bevan, 189 were unsuccessful, 71 successful, and 91 compromised. Of 149 reported upon by the Massachusetts Bureau of Labor Statistics, only 18 were successful, 109 unsuccessful, 16 compromised, and 6 partially successful. A report of the Pennsylvania Bureau on 135 strikes, showed 45 successful, 66 unsuccessful, 13 compromised, and 11 partially successful. The census report gives the result of 481 strikes, of which 169 were

successful, 227 unsuccessful, and 85 compromised. This report shows also that the workmen are more successful in strikes growing out of demands for advances than they are in resisting demands for reductions. With the exception of the census report, these statements cover a series of years, including periods of great depression in business as well as prosperous times, and may, therefore, be regarded as giving fairly average results.

Of the utter folly of many strikes, there can be no question. They have been doomed to defeat from their inception. They have been undertaken in defiance of all economic laws, in ignorance of the real condition of trade, and without any just cause. They have wasted capital and decreased the wealth of the country. They have brought hunger, misery, debt; have broken up homes, severed long associations, forced trade to other localities, and driven men, women, and little children into the very shadow of death; and yet, men knowing that all of these possibilites are before them, will deliberately enter upon strikes—will cheerfully bear all of these privations, and, what is more remarkable still, in many instances the wives of the strikers, upon whom the misery falls with the most crushing force, will be the most determined in their resolution. It would seem that there must be some reason for this, and I believe it will be found that strikes are not wholly wrong, and that even unsuccessful ones are in many ways advantageous to the strikers. Labor has had to fight for every advantage it has gained, and though it is often defeated in its struggles that are called strikes, it has not only learned in these contests how better to wage future battles, but it has so impressed employers with its strength, that it has made them shy of encountering antagonists constantly growing more formidable.

It has also made employers more willing to examine as to the justice of demands made upon them, and to meet the employés in a spirit of fairness when differences arise. The most hopeful indication of modern industrial society is the great increase of mutual respect and good-will between employers and employed, as well as a greater regard on the part of each for the rights of the other. To this result strikes have contributed in no small degree. They have also asserted the right of combined labor to deal with combined capital, and have denied the claim that the true labor market was found in the "higgling" of capital with all its power, and one individual workman with his weakness and necessities.

And yet this method is one of force, and does not, after all, settle any thing. When the battle has been joined and the contest decided (a decision very rarely the result of judgment and reason, but one forced by other considerations), what has been gained? what decided? A battle has been fought, a victory won, or a defeat suffered. That is all. No principle has been established—no question decided. And what is a victory won under such circumstances worth? For what does it count in the light of our civilization? Have 6,000 years of toil with this labor problem ever pressing, found no better judge, no kindlier umpire than brute force—than hunger and greed? At the end of every strike or lockout there is always one practical problem that loudly and urgently demands a solution—to find some means by which the existing organization of industry, not some system yet to be devised, can be made to work without these wasteful contests that are so frequent as to seem wellnigh an essential part of the system.

It should also be noted that in the method of strikes and lockouts there is no place for that exercise of judg-

ment based upon information and upon a knowledge of the condition and circumstances of both parties to labor differences that are essential to justify the method by association.

The third method of dealing with labor differences based upon the theory of association is that of arbitration and conciliation. Briefly stated this method provides for the reference of these differences or the resulting disputes to boards or committees made up of both employers and employed, usually an equal number of each, each class selecting its own representatives. In these boards or committees the questions at issue are thoroughly discussed, testimony is heard, and a decision reached which is final and binding upon all the parties to the reference. When the method is that of arbitration, in case an agreement cannot be reached by the board, one or more parties, —umpires—are called in, and the subject referred to them, their decision being equally as binding upon all as that of the board itself. With conciliation there is no umpire. The committee itself must reach a conclusion, or there is none by this method.

These boards or committees, organized and conducted as the best experience dictates, with some power to give effect to their decisions, appear to me to offer the best, if not the only method, for a calm and intelligent consideration and discussion of the intricate and troublesome problems that grow out of the relations of employer and employed. They also offer the only method which promises decisions that shall be even approximately reasonable, just, and right.

To the consideration and discussion of these questions there is brought in these boards or committees not the knowledge, perception, and judgment of one class only, which are apt to be imperfect, clouded, and biassed, but

the combined intelligence, information, and judgment of both employer and employed, standing at different sources of information and looking at these questions from different points of view. This method takes cognizance of existing conditions; recognizes the perfect equality of employer and employed; commits the prevention and settlement of these differences to the reason and judgment of both, not to the selfish impulses of one; refuses to recognize force; does away with the necessity and excuse for strikes and lockouts; permits due weight to be given to economical forces, and due consideration to any action their presence and power demand; furnishes the nearest approach to a free, open labor market that has yet been established; in a word, it meets better than any method yet proposed the conditions necessary to a satisfactory and intelligent discussion and settlement of these questions, and offers far greater surety that justice will be done and equality and peace established than does any method that relies upon blind, unreasoning, undiscriminating law or force.

It also furnishes what in the rapid changes of industrial conditions, what in the ever-altering phases of industrial society, varying with time and seasons, with locality and employment, is absolutely needed—a means for experimenting, without danger, in ways and methods of dealing with these questions, a means which will permit of the speedy abandonment of any mode not found wise or useful.

The particular constitution and methods of boards of arbitration and conciliation, as well as the results of their employment, will be given in succeeding chapters.

CHAPTER V.

ARBITRATION AND CONCILIATION.

THOUGH the terms arbitration and concilation are jointly used to name the system of dealing with labor differences by boards or committees made up of both employers and employed, these words by no means represent the same thing. Conciliation is properly applied to attempts to settle or prevent labor differences by conferences between the parties in interest, or their authorized representatives, these conferences having no power to reach a decision except as the result of mutual agreement. Arbitration, on the other hand, implies a conference and agreement, if possible ; in case no agreement can be reached, then the matter at issue is to be referred for settlement to one or more persons, whose decision is morally or legally binding upon both parties. In conciliation there can be a mutual agreement only ; in arbitration there may be a formal and binding judgment.

Recognizing this distinction between arbitration and conciliation, the bodies formed for applying this method to labor differences assume two forms :

I. Boards or Committees of Conciliation, which employ conciliation only,

II. Boards or Committees of Arbitration and Concilation, which employ both arbitration and conciliation.

It is to be noted that the only practical difference between these two methods is the mode of reaching decisions. In the conciliation boards or committees the

members must themselves agree; in the arbitration boards a disinterested third party may be called in to render a decision.

There is no little difference of opinion as to which of these forms is the better. While conciliation committees, usually by informal rather than by formal and organized action, have had some measure of success, the best and most effective work has been done by arbitration boards. It will be found that even conciliation has been most efficient when connected with arbitration. It is true that arbitration recognizes conciliation and avoids the umpire if possible, thus conceding the greater desirability if not superiority of conciliation, and it undoubtedly is desirable that the parties themselves shall agree if possible, but the system would be inadequate to the demands upon it, did it not provide a method of reaching a decision in case, as frequently will happen, that the parties cannot or will not unite in one.

It will be found, therefore, as a rule, in the practical workings of this system, that arbitration and conciliation are united, conciliation dealing with minor matters or questions of detail, or those affecting the individual or small bodies of men, and even with broader questions, when decisions can be quickly reached. Concerning such questions opinions are not as decided nor as tenaciously held. But when questions arise that affect in a serious degree the whole trade or large bodies of men or large amounts of capital, then the method of conciliation—of mutual agreement—is of little avail, and the umpire is called upon.

It has been urged as an objection to the arbitration form of these boards that the knowledge that the umpire will be called upon in case of a disagreement weakens the obligation resting upon the board itself to reach an agree-

ment, and makes the effort to do so a less honest one. This may be true to some extent, but it is not necessarily a disadvantage. A decision reached under the pressure of necessity may be neither just nor equitable. Indeed, necessity is never a safe counsellor in labor differences.

It is also objected to arbitration that unlike conciliation it commits the decision of these questions to a single individual, who may not have the special or technical knowledge which it is assumed is necessary to enable him to decide intelligently or justly, or if one is selected who is acquainted with the trade, it is probable that he has at one time been either an employer or an employé and consequently may be biassed. The answer to this is that the settlement of most important industrial and trade questions, involving large interests and most intricate technical details, is every day submitted through our courts of law to the decision of persons not at all acquainted with the details of the industries or trades or the questions involved. A court of law in a civil action is to a great extent a court of arbitration, and when the issue turns on questions of usage, technical practice, or complicated accounts, it is not unusual for judges to hand over the decision to arbitrators who may be acquainted with the subjects involved. The experience of boards of arbitration is conclusive that both those skilled and unskilled in the industries in which disputes are to be settled, have been most successful umpires. Sir Rupert Kettle, who has been eminently successful as an umpire in England, especially in the coal and iron industries, has no practical knowledge of these. Thomas Hughes, M. P., ("Tom Brown") Mr. Herschell, M. P., Sir Thomas Brassey, M. P., Mr. Russell Gurney, Mr. Henry Crompton, and others, are all gentlemen who are not connected with manufacturing or mining, have no practical knowledge of their de-

tails, but have been very successful arbitrators. On the other hand, Mr. A. J. Mundella, M. P., Mr. Joseph Chamberlain, M. P., Mr. David Dale, and others, who have been just as successful umpires, are or have been very extensive manufacturers, while gentlemen like Mr. Burnett have been leading unionists.

It will be found that the success of a referee will not depend upon his practical acquaintance with the trade, so much as it will upon the man himself. If he is at all fitted for his responsible position in other ways, he can get sufficient knowledge of the trade to enable him to give a just and intelligent decision. It is the duty of the members of the board, in their presentation of the case and in their arguments and statements before him, to furnish whatever information is necessary to an intelligent understanding of the question at issue.

On the other hand, as against conciliation without arbitration, it is to be remembered that these boards are composed of the parties to the issue with the views—the prejudices, even—of their classes, and usually with previously formed opinions. These must in some degree cloud the judgment and forbid impartial decisions. Further, elected as they are, as the representatives of a class, members are apt to forget, if indeed it always occurs to them, that they are not advocates solely, but judges, not elected to secure the demands of their constituents, but to ascertain what is fair and just, and get that. In many cases, where a member can lay aside his antecedent views and realize that though he represent one party to the issue, he acts for the whole trade, it will be found that he will not or dare not indicate his convictions by his vote. Now the arbitrator has no class prejudice, no previously formed opinions, nor does he represent either side, but both, and to a certain extent a third,

which is too often forgotten in these discussions—the public. He has assumed no positions from which he must recede ; he has no *esprit du corps* to maintain. The reference to him relieves the members of the board of responsibility, and gives much greater hopes for a righteous award than does the plan which compels a decision from the board itself, burdened and hampered with the conditions and obligations pointed out. It will even be found that in many cases, where the arbitrator is called in, if he is wise and prudent, his office will be little more than to promote calm discussion, and without prejudice or a sense of obligation, to inquire into the facts, and with the authority of his position and his impartiality, make them known to the board.

It will also be found that the umpire performs a function that is by no means unimportant in relieving the members of the board of the results of their own errors or finding a way out of positions of embarrassment. In a word, that he acts as a scape-goat, upon which may be laid many of the sins of the members of the board and those they represent.

In addition to the division of these bodies based upon the distinction between arbitration and conciliation, there is still further classification, based upon their duration and the continuance of their operations. These boards or committees may be :

I. *Temporary ;* that is, organized in an emergency, or in the face of an impending difficulty, possibly in the midst of a strike or lockout, and passing out of existence as soon as the special work they were organized to do has been accomplished or their efforts have failed.

II. *Permanent and Systematic ;* that is, having a continuous existence and dealing constantly and systematically with all questions as they arise between employers

and employed in the works or trade or district which the board or committee represents.

While temporary boards or committees may and do settle questions that are referred to them, it is evident that the chances are against them. When a labor war is imminent or in progress, there is usually no place for discussion, and the decision of boards organized at such times is accepted by one party or both under duress, and is apt to be like the board itself, temporary. Many of the failures of arbitration and conciliation, and much of the discredit with which it is regarded, have grown out of the incompetency and short-comings of these temporary or emergency boards. They ignore entirely what is regarded by its advocates as the most essential feature of the system—prevention, not cure. It cannot be too often pointed out that the demand in connection with labor differences is not for a method that shall settle strikes, but for one that shall prevent labor differences, either by removing their causes or by promptly settling them before they grow to disputes. It is the claim of the advocates of arbitration that permanent boards of arbitration and conciliation, with their systematic procedure, their stated meeting, and their friendly discussions, answer this demand, and that the temporary boards, however valuable they may be in a given case, do not. These permanent voluntary boards, recognizing the perfect equality of employer and employed, and the right of each to an equal voice in the settlement of all questions, meeting at stated times, when no demand has been formulated, no positions assumed, no bitterness engendered, afford opportunities for the rapid growth of that mutual confidence which must exist if any method of harmonizing differences is to be effective. The great hindrance to the settlement of these questions is the unnecessarily antagonistic

position of employer and employed. If these can be got to shake hands in a friendly manner, to learn to have confidence in each other, to sit down at a table as equals and talk their differences over as they arise, and before they grow into disputes, the first step for a better understanding and for a settlement of these differences is taken.

These permanent boards also furnish the opportunity, seldom present without them, for the workman to obtain a correct and measurably complete knowledge of the condition of trade, prices, demand, etc. The existence of that confidence and mutual respect before referred to makes the employer willing to give information to the employé, in whose honesty of purpose he has learned to have confidence, which he would not impart under any other system, and which it is absolutely necessary he should know, in order to form an intelligent opinion as to the demands of the future upon him and upon the industry. And, on the other hand, the employer obtains a closer insight into the surroundings and needs of the employé.

Permanent boards also acquire a fund of precedent and knowledge, and become an unquestioned repository of facts and the results of investigation that can be referred to without the least shade of suspicion. The value of such information and of an exact record of the past is at times beyond compute. Every year of its existence adds to the usefulness of the board in this respect.

Without considering here the general question of arbitration and conciliation as against other methods of settling labor disputes, but only the best form of these boards, it seems clear that the permanent boards of arbitration and conciliation are to be preferred to any temporary boards and to boards of conciliation alone.

CHAPTER VI.

LEGAL ARBITRATION AND CONCILIATION.

In their origin and methods arbitration and conciliation are either—

1st, *Legal*, that is, established and operated under statute law, with its sanctions and also its powers for enforcing awards or agreements : or

2d, *Voluntary*, that is, established and operated by mutual agreement, the honor of the parties being the only surety for the acceptance of the awards or agreements.

Under legal arbitration and conciliation submission of the questions may be either compulsory, that is, all or certain questions that arise between employers and employed must be submitted to these boards or committees for their decision upon the application of either party ; or voluntary, that is, they may be so referred if both parties desire.

The best, and indeed the only eminently successful example of legal arbitration and conciliation is to be found in the *Conseils des Prud'hommes*, which have existed in France and Belgium since early in the present century. These are tribunals established by law at the great industrial centres, for the purpose of settling labor differences. The submission of questions may be either voluntary or compulsory. The councils are invested with judicial power, but this power is not used until an attempt to reach an agreement has failed ; then the party declining conciliation is compelled to accept arbitration, and

the award made can be enforced the same as that of any other court of law.

In the election of the members of these *conseils* all classes connected with the industries represented in them, of which there may be several, take part, employers, managers, foremen, and workmen. The *maire* of the *commune* prepares the voting lists, the *préfect* acting as a returning officer. The *conseils* are made up of an equal number of employer and workingmen members, each class electing its own representatives, the president and vice-president being named by the government. The members hold office for three years.

The authority of these councils extends to every conceivable question that can arise in the workshop not only between the workman and his employer, but between the workman and his apprentice or the foreman. There is but one question they cannot upon the application of either party consider—future rates of wages ; but even this can be done by mutual agreement.

The *conseil* is divided into two *bureaux* or committees —the *bureau général*, composed of at least five members, meeting once a week, and the *bureau particulier*, consisting of one employer and one workman, who attend every day for two hours. A complaint is lodged by either party to the difference, and all disputants are "invited" in the first place to come before the *bureau particulier* in order to "explain" their differences. If no agreement is reached, nor the suggestions of the members of the bureau accepted, the parties are then formally summoned before the *bureau général*, which renders an authoritative decision, if the case be one falling within its jurisdiction. These decisions are binding, and can be enforced the same as those of any other court of law.

The workings of the *conseils* for five years are as follows:

	1874	1875	1876	1877	1878
Number of *Conseils* constituted,	112	112	115	115	115
Number of *Conseils* which have been in session,	98	98	101	101	101
Bureau Particulier.					
Concerning Wages,	20,270	21,083	22,314	21,368	22,358
Defective work				2,495	2,238
Discharge of workmen,	4,598	4,618	4,593	4,733	4,657
Apprenticeship,	1,722	2,079	1,962	1,795	1,525
Various,	4,654	6,177	5,905	4,655	5,082
Total,	31,244	33,907	34,774	35,046	35,860
Withdrawn by parties before trial,	6,316	6,787	8,167	9,076	10,192
Adjusted by Bureau Particulier,	18,319	19,771	19,607	18,415	18,334
Reported for adjustment to Bureau Général,	6,450	7,204	6,925	7,419	7,210
Carried forward to next year,	159	145	75	136	124
Bureau Général.[1]					
Remaining from preceding year,	129	147	142	152	113
Brought in during the year,	6,450	7,204	6,925	7,419	7,210
Withdrawn by parties before trial,	4,086	4,656	4,293	4,710	4,410
Definitively adjusted by the Bureau Général,	1,853	1,885	2,093	2,220	2,292
Against which appeal could be brought,	500	665	541	507	494
Adjourned,	140	145	140	134	137
Number of cases against which an appeal was brought before Tribunals of Commerce,	135	104	91	131	100
Of these:					
Were confirmed,	71	57	58	59	59
Annulled,	43	29	21	43	23
Amicably settled,	21	18	12	29	18

[1] The cases brought before the General Bureau are those which could not be settled by the Special Bureau.

These *conseils* have been of incalculable benefit to French industry, and their constitution and methods seem well adapted to the conditions of industrial life in that country. The preceeding table gives some idea of the character and disposal of the questions brought before them.

From this table it will be noted that in 1878, of the 35,860 cases brought before these *conseils*, 22,358, or 62 per cent., were relative to wages; 2,238, or 6 per cent., to defective work; 4,657, or 13 per cent., to discharge of workmen; 1,525, or 4 per cent., to apprenticeship, and 5,082, or 14 per cent., are not classified. Of the total number, 10,192, or 28 per cent., were withdrawn before trial; 18,334, or 51 per cent., settled by conciliation and but 7,210, or 20 per cent., were referred to the *bureau général.* Of the cases before this *bureau*, the arbitration board, but 38½ per cent. were brought to trial, and of these but 18 per cent. were appealed. Of the cases appealed, only about one fourth were annulled.

Outside of France and Belgium, what I have termed "legal arbitration and conciliation," has been but little used. In England the Elizabethan labor statutes, which were in many of their features but codifications of the rules and regulations of the craft-guilds, provided for the assessment of wages in certain trades and the compulsory settlement of disputes between "masters and apprentices" by the magistrates. During succeeding reigns these statutes were modified and enlarged, new industries were included in their scope, and, in time, the power of arbitrating lodged with the magistrates was taken away, and the idea of arbitration by chosen or appointed referees incorporated in law. In 1824, all acts, so far as they related to the settling of labor disputes, were consolidated and replaced by that of 5 Geo.

IV., Cap. 96, entitled: "An act to consolidate and amend the laws relative to the arbitration of disputes between masters and workmen." This was patterned after the French law establishing *Conseils des Prud'-hommes.* It provides, as does that, for the compulsory submission to arbitration, upon the request of either party to the same, of disputes arising between employers and employed in certain trades and upon certain subjects. Future rates of wages could only be established by mutual consent. This act is still in force, but has rarely, if ever, been used. It is the last one in which the justice of the peace appears as a labor or wages arbitrator.

Shortly after the passage of this act, voluntary boards of arbitration and conciliation were introduced into some of the industries of England. In addition to the formal arbitration of existing disputes contemplated in the act of 1824, these boards considered and fixed future rates of wages and also provided for conciliation committees, whose province was to adjust differencs between employers and employed by mutual good offices without a formal hearing and award. In 1867 these boards had become so numerous and successful, that an attempt was made to give them a legal basis, if they so chose, by the passage of the 30 and 31 Vict., Cap. 105, commonly called Lord St. Leonard's Act.

In both of these acts, special care is taken to provide against the fixing of future rates of wages—one of the most prolific sources of dispute. This was a serious defect. Accordingly, in 1872, an act was passed, the uses of which, briefly stated, are three, viz.: 1. To provide the most simple machinery for a binding submission to arbitration and for the proceedings therein. 2. To extend facilities for arbitration to questions of wages, hours, and other conditions of labor, and also to all the numer-

ous and important matters which may otherwise have to be determined by justices under the provisions of the master and servant act of 1867. 3. To provide for submission to arbitration of future disputes by anticipation without waiting until the time when a dispute has actually arisen and the parties are too much excited to agree upon arbitrators. These acts have been of but little practical value. In their best features the recent ones have followed, not preceded, the voluntary practice of arbitration and conciliation, and they have only sought to give the forms and sanctions of law to a practice that was successfully in force without such forms and sanctions.

In several of the United States laws have been enacted providing for the formation in certain industries of boards of arbitration and conciliation of a quasi-legal character. These boards are really voluntary tribunals mutually chosen, but organized and sanctioned by law, and with the power of the courts of law to enforce their decisions. The Pennsylvania law, which may be taken as a type, provides that the presiding judges of the Court of Common Pleas shall issue, upon the joint petition or agreement of employés and employers, licenses for the establishment of trade tribunals within their respective judicial districts, which shall have the settlement of such disputes between employers and employed in the iron, steel, glass, textile fabrics and coal trades as may be referred to them. The petition must be signed by at least fifty workmen and five or more employers. If the petition is presented during a strike, or when one is imminent, it must represent the will of the majority. The petition must set forth, among other things, the number of the members of the tribunal, which cannot be less than two of each class, and their names, an equal number representing each side,

each side selecting its own representatives, and also the name of an umpire mutually chosen. The board first attempts to come to agreement without the services of the umpire, he being called in only after a disagreement of the tribunal or a failure during three meetings held and full discussion had, to reach an agreement. The award of the arbritrator or umpire is final and conclusive upon such matters only as are submitted to him in writing, signed by all the members of the tribunal, or by the parties submitting the same; but upon questions affecting the price of labor the decision is in no case binding upon either party, except as they may acquiesce or agree therein after such award. The umpire is a sworn officer, and has the right to administer oaths, sign subpœnas, and orders, compel the attendance of witnesses, etc. Attorneys-at-law or other agents of one side or the other are not permitted to appear or take part in any of the proceedings of the tribunal, or before the umpire, but the same is as far as possible voluntary and upon examination of proofs and witnesses by the tribunal itself and the umpire. When the umpire is acting, he presides, and his determination upon all questions of evidence or otherwise, in conducting the inquiries then pending, is final. The members of the tribunal receive no compensation for their services, their expenses, however, being paid. When the umpire makes an award, that award may be submitted to the judge of the court under whose authority the tribunal was instituted, and if he approves the finding he endorses the approval thereon, and the same is entered on the records of his court, and when so entered it is final and conclusive, and the proper court may, on motion of any one interested, enter judgment thereon, and when the award is for a specific sum of money, may issue final and other process to enforce the same.

It will be seen from the above condensed statement of this act that it is patterned very much after the *Conseils des Prud'hommes* of France and Belgium. In the French *conseils* the presiding officer is appointed by the state, and the tribunals are orgained at the requests of the Chambers of Commerce. In Pennsylvania the tribunals are organized at the request of the employers and employed, who also name the umpire. Another difference is that either party can hale the other before the tribunal in France, and compel a settlement there, which cannot be done in Pennsylvania. With these exceptions the tribunals are precisely similar. Either can take cognizance of any question submitted to it. In neither can questions relating to future rates of wages be considered without the consent of the parties, but in the French *conseil*, when the parties have once agreed to submit the question of the future rates of wages to the decision of the *conseil*, then the decision is binding on both. Decisions given by the umpire can be made matters of record in the courts, judgment entered and the judgment enforced the same as any other judgment of these courts.

Boards have been formed under these laws, but they have had a brief existence. With hardly an exception, the questions submitted to them have been the settlement of future rates of wages. In a brief time a decision has been rendered that has not met the views of some of the parties to the arbitration, and, as there has been no power to compel its acceptance, and as the sense of honor of the parties did not seem keen enough to lead them to keep their agreements, the award has been rejected and the board abandoned.

And yet these laws, while they are of little or no use, so far as relates to power to enforce the awards, are still of great value. They furnish the opportunity for the

formation of these boards, which, without them, is often wanting, and lay down certain general principles upon which they must be organized and conducted, and, so far, avoid difficulty at the outset. They also give powers to the umpire that at times may be important. They, moreover, assist in enforcing awards. There must be some power to compel acceptance of the decisions of these tribunals or the umpire. Often this power grows out of the relations employers or employed hold to each other, and it is frequently not in the least a physical one. Of such a character is that afforded by these laws. The moral force that attaches to the word law is quite effective at times, and it is possible that the best form of a board of arbitration is the voluntary one, organized under such laws as that of Pennsylvania, with strong conservative organizations of both employers and employed to aid in enforcing awards.

CHAPTER VII.

VOLUNTARY ARBITRATION AND CONCILIATION.

THE second method of arbitration and conciliation is the voluntary one; the boards or committees formed for its application being in their origin and methods purely voluntary bodies, with no taint of law and no powers of distress or commitment. These boards have no legal existence, though they are not unlawful. There is little form at any stage of the proceedings. In them courts and magistrates have no place. There is no compulsory submission of disputes, no forced attendance of witnesses, nor is there any power, except a man's sense of honor, public opinion, and the aggregate honor of such bodies as trades-unions and employers' associations, to compel the acceptance and to give force to the awards.

In their general character and methods, these voluntary boards or committees recognize the distinctions already pointed out between arbitration and conciliation, and to a much greater extent than the legal form, that difference growing out of their duration and continuity of action. There is this difference to be noted between conciliation in legal and in voluntary boards, however. Legal conciliation is always associated with arbitration, and, in view of the constitution of legal boards and the source of their power, necessarily so. Conciliation in voluntary boards may or may not contemplate arbitration. In all voluntary boards, even with arbitration, however, the measure of the power of the board or the umpire is always the voluntary consent of the parties to the issue.

As has been stated, legal arbitration and conciliation have practically no existence either in England or the United States. In England the parties to labor differences persistently decline to avail themselves of the provisions of the several arbitration acts, while the quasi-legal boards in this country are legal in name rather than in fact. Whatever of success has been attained in these two countries in applying this principle to labor differences has been chiefly through voluntary boards or committees, the two great English speaking nations presenting in this respect a contrast to the two French states, France and Belgium, in which legal arbitration and conciliation prevail.

A moment's consideration of the causes of the differences which arbitration and conciliation seek to remove, and a clear recognition of the real authority in which power concerning these differences is lodged, and to which ultimately an appeal must lie, is convincing that this voluntary form is the only one that gives promise of success in dealing with those questions that most frequently lead to industrial warfare.

As was pointed out in the first chapter, labor differences arise concerning both past and future contracts, and also grow out of "matters of sentiment." From their very nature it is evident that it is only a very limited range of difficulties, chiefly those involving the terms and construction of contracts under which work has already been done, that legal or compulsory arbitration and conciliation, relying as it does upon the state to give effect to its decisions, can deal with any degree of efficiency. It is natural and proper that the parties to such differences, involving as they do work done and money earned, that is, actual property, should be compelled, if necessary, to submit their differences to a competent tribunal, and

when that tribunal has honestly and carefully reached a decision, that the state by all its agencies should give it effect. In dealing with such questions these boards or committees are but courts of law unfettered by their forms or ceremonies.

But it is not concerning past contracts or work done that differences and disputes most frequently arise, but as regards the future,[1] and here legal arbitration and conciliation is confessedly powerless. Every law providing for legal arbitration formally recognizes its limitations, and provides that the boards or *conseils* organized under them shall not deal with future rates of wages unless by mutual consent. Even then the awards cannot be enforced unless this consent is renewed after the finding. There is no power in the state to compel the performance of work under the terms of an award without recourse to practical confiscation and absolute slavery. Law cannot force men to work at rates nor upon terms to which they will not agree, nor can it compel an employer to operate his works and furnish employment. In a word, there is no power outside the parties themselves that can give effect to a decision as to a future contract or that can harmonize quarrels over matters of sentiment. It is with them that power is lodged, and to them appeal must ultimately lie. Within the realm of labor to a degree unknown elsewhere, government exists only by the consent of the governed.

[1] Of the 813 strikes and lockouts reported upon by me in the United States Census Report, fully 90 per cent. of those for which causes were ascertained, which included 93¾ per cent. of all, related to the future. All but one of the 582 relating to rates of wages were demands for advances or against reductions, 504 of the former and 77 of the latter. All but 7 of the 35 regarding payment of wages related to future methods or time. All under hours of labor concerned the future, as did most of those regarding methods of work.

It is in the complete recognition of this fact at all stages of its proceedings, the submission, discussion, award, and enforcement, that is the strength and justification of the system of voluntary arbitration and conciliation. It is because it furnishes a method and the only one for securing that consent without which no method of harmonizing the relations and settling or preventing the differences between employer and employed can be of any value, that it must ultimately prevail. It is the government of reason, finding its sanctions in the freely given consent, their loyalty to themselves, of the subjects of its reign.

CHAPTER VIII.

SOME EXAMPLES OF VOLUNTARY ARBITRATION AND CONCILIATION.

It is impossible in the limits of this treatise to detail the history, constitution, and methods of these voluntary committees or boards. Indeed, the system is so elastic and admits of being so easily modified to adapt it to the varying phases that different industries exhibit, as to render it impossible to give more than typical examples. For full details those interested are referred to the writer's report on "Industrial Arbitration and Conciliation in England," made to the Governor of Pennsylvania in 1878, and a second report on "Arbitration and Conciliation in New York, Pennsylvania, and Ohio," made to the Massachusetts Bureau of Labor Statistics in 1880. Mr. Henry Crompton's little work on "Industrial Conciliation" (London, 1876); Sir Rupert Kettle's "Strikes and Arbitration" (London, 1866); and the report of the Social Science Association (English) for 1860 all give valuable information as to the history of arbitration and conciliation. For information as to the *Conseils des Prud'-hommes*, there are several little manuals. One of the best is the "*Code Practique des Prud' hommes*," *par* Th. Sarrazin. (Paris: Marchal, Billard et Cie.)

While space forbids full details, a brief sketch of some of the more notable instances of the successful and long-continued practice of arbitration and conciliation, will add to the completeness of this discussion. The boards

and committees in the Hosiery and Glove Trade of Nottingham (Eng.), in the Iron Trade of the North of England, in the Coal Trade of Durham (Eng.), and in the Iron Trade of Pittsburgh, Pa., are among the most notable examples of arbitration and conciliation. The industries represented in these differ widely in character, while the boards or committees in their methods and organization present some marked differences as to details.

The oldest as well as one of the most successful boards of arbitration and conciliation in England is in the hosiery and glove trade, of which Nottingham is the centre. This board has the honor of being the first systematic voluntary board. In view of the previous history of this trade and the difficulties attending the adjustment, not only of wages, but of various perplexing details, its success is a most complete vindication of the system.

Prior to 1860, when the board was established, the relations of employers and employed in this trade were as ugly as could well be imagined. From 1710 to 1820 there is recorded a frightful list of murders, riots, arsons, and machine-breaking, all arising out of industrial differences. An act was passed by Parliament early in the century punishing machine-breaking with death, and in 1816 six persons suffered this penalty. In the remaining forty years of the century and a half from 1710, while the worst features of this industrial strife nearly or quite disappeared, the relations were in no wise improved, though the strife assumed a different form. Suspicion, distrust, hatred, were the sentiments cherished towards the manufacturers by the workmen, and arrogance, oppression, and an equally strong hatred were returned. War, or at least an ill-kept armistice, was the condition of the hostile camps. Strikes and lockouts were constantly occurring, and no judicious, honest effort was made to end them.

In 1860 there were three strikes in one of the three branches into which the hosiery trade is divided, one lasting eleven weeks. It was during this strike that the Board of Arbitration and Conciliation was formed. Though the strike was confined to one branch, it was soon discovered that it was supported by the workingmen in the other branches, and, in what they considered self-defence, it was proposed by the manufacturers to lock out the entire body of workingmen in all branches. Some of the manufacturers, Mr. A. J. Mundella among them, shrank from the misery and suffering, and perhaps crime, that would be the result, and having heard of the *Conseils des Prud'hommes*, suggested what is now called arbitration. Committees of manufacturers and workmen met, and looked suspiciously at each other, while the manufacturers charged their fellow-manufacturers who were striving to form the board with "degrading and humiliating them." They persisted, and a board was formed, and from that day to this, twenty-six years, there has not been a general strike in the trade.

The rules adopted were very simple, and have worked so well in most particulars, that they have hardly been amended since the day they were made. The object of the board is declared to be to arbitrate on any question of wages that may be referred to it, and to endeavor by conciliatory means to put an end to any disputes that may arise. The board consists of twenty-two members, half operatives and half manufacturers, elected for one year, each class electing its own representatives. The delegates have full powers, and the decisions of the board are considered binding upon all. There is provision for a committee of inquiry, to whom all differences must be referred before the board will act upon them. This committee has no power to make an award, acting only as

conciliators. A month's notice is to be given to the secretaries before any change in the rates of wages will be considered. Regular meetings are held quarterly. The chairman in the original constitution of the board has a vote, and a casting vote as well, in case of tie. This was one of the weak points in the organization, and as the chairman was an employer, trouble resulted. A referee is now called in case of a failure to agree.

The proceedings under these rules are very simple. When any difference arises between the employers and employed the secretaries endeavor to arrange it. In the event of their failure it is brought before the committee of inquiry, who try to settle it ; and it being unable, it is then brought before the board. One of the invariable conditions of any arbitration is that work shall be continued pending the trial of the case ; that is, that there shall be neither strike nor lockout. The proceedings before the board are very informal. The members sit around a table, workingmen and employers interspersed. The discussion is without ceremony, and the difference is settled by endeavoring to arrive at the best arrangement possible under the circumstances. If no agreement can be reached the umpire is called upon.

As the articles made in this trade are exceedingly numerous and varied, and constantly changing in style, it is evident that questions as to wages, which are all by the piece, must arise almost daily. Since its formation all of these intricate questions have been referred to the board and settled by it. The board has never met without settling at least half a dozen questions.

The benefits this board has conferred on the hosiery and glove trade are incalculable. A most friendly feeling has taken the place of hostility, and confidence and mutual respect exist where formerly all was suspicion and

hatred. This was not the result of a day, nor was it accomplished without occasional lapses to the old state of things. The strifes of a century and a half are not so soon forgotten ; but troubles in the board have been so infrequent and unimportant, that I am justified in saying that it is a complete success. Strikes and lockouts are unknown ; contact has developed respect. The changed relations of employer and employed have been recognized ; they have met about the same table as equals ; and out of this has grown a condition of affairs that will make it impossible for the old condition to return.

A large part of the credit of the success of this board, and of the change in the relations of the two classes, is due to the provision for regular meetings of the board. I do not hesitate to say that this is the most valuable feature of these boards. The great curse of industry and the fruitful cause of difficulty is a foolish obstinacy and a false pride. This arises in many cases from a want of knowledge and a lack of common courtesy in matters concerning both capital and labor, and in which both have an equal interest. This quarterly coming face to face, this meeting as equals, and discussing subjects of common interest as sensible men seeking for the facts and inclined to moderation and concession if need be, have had a marvellous effect in removing this pride and obstinacy and bringing about that respect and courtesy that must be at the basis of all friendly negotiations between capital and labor. These meetings have also given the men a knowledge of the conditions of trade and its necessities, which they could not get in any other way, and, from this knowledge, they have been led to moderation in demand or willingness to concede reductions that otherwise they would not have possessed. If the arbitration features were wholly removed from these boards, and they only

retained this feature of quarterly meetings of recognized representatives of trades-unions and of manufacturers' associations, their adoption generally in this country would be productive of incalculable benefit.

The manufactured iron trade of the North of England differs widely from that just described. It is a recent trade, beginning to assume importance in 1860, just as the board in the hosiery trade was being formed. For ten years its growth was marvellous, and at the end of this time it rivalled many and surpasssed most of the oldest centres of English iron manufacture. This wonderful increase at a time when other districts were growing created a demand for labor that could not be met from the ranks of those already skilled in the various processes of iron manufacture, and workmen were drawn from all classes and grades of laborers. The result was a most heterogeneous collection of workmen. There were no ties of friendship or locality. There were none of those attachments that long companionship causes men to form among themselves and for their employers, and even for the very tools with which they work. The result of this state of affairs can be easily imagined. It was endless disputes ; strikes were of frequent occurrence. In 1865–'66, there were both a lockout and a strike, the latter lasting four months ; and in the end nothing was settled except that capital could hold out longer than labor. "Between that time and the winter of 1868–'69, repeated reductions in wages were enforced and gave rise to feelings of resentment, which rendered it more than probable that any considerable increase in the demand for iron would be the signal for peremptory demands on the part of the workmen." Trade began to improve in 1869 and the demand came. To avert the trouble, arbitration was suggested ; and on March 22, 1869, the board was formed,

and has continued in successful operation until the present time, and, for all these years has settled the wages and other industrial questions in this trade. This board consists of two representatives from each works joining it, one chosen by the owners of each works, the other by the operatives. It chooses from among its members a standing committee, to whom all differences are in the first instance referred, and whose recommendations in minor matters are generally accepted. This committee, however, has no power to make an award except by mutual agreement of the parties to the dispute. All questions not settled by it are brought before the board as soon as possible, and in case of a failure to reach an agreement are referred to an umpire. The committee meets when there is any business ; the board, twice a year, or oftener if necessary. The expenses are paid equally by employers and employed.

There is a provision in the rules of this board for obtaining statements at frequent intervals as to the actual selling prices of the iron made in the district, the books of the manufacturers belonging to the board being inspected by sworn accountants. The last report of the accountant was as follows :

Sales During the Two Months Ending October 31, 1885.

Description,	Weight invoiced, Tons.	Cwts.	Qrs.	Lbs.	Percentage of total.	Average net selling price per ton. £	s.	d.
	656	3	1	12				
Rails,	33,002	10	3	12	1.07	4	12	2.34
Plates,	18,351	7	1	25	54.09	4	16	2.83
Bars,	18.351	7	1	25	30.07	5	0	7.82
Angles,	9,009	14	3	7	14.77	4	13	8.48
Total,	61,020	4	2	0	100.00	4	17	1.76

This information is of great value. It gives the working man what is so difficult to secure, the actual selling price of the articles made.

The balance sheet of this board is of considerable interest as showing the cost of arbitration. In a condensed form for the six months ending June 30, 1885, it is as follows, omitting shillings and pence :

Total receipts		£980
Total expenditure		628
Paid operatives (attendance, lost time, witnesses, railway fares)	£162	
Paid employers (attendance, witnesses, railway fares)	109	
Secretaries' salaries and travelling expenses	162	
Accountant's fee	150	
Printing and stationery	19	
Office rent and rooms for meeting	16	
Office expense	9	
Reporting	1	

It is in the coal industry that arbitration has been most frequently tried in this country, and with but little more than temporary success. Indeed, it has come to be believed that in an industry with so few classes of occupation, and in which an award must affect nearly, if not quite, all employés, arbitration could have but little success. This is disproved by the history of arbitration in the Durham, England, coal trade.

The Durham with the Northumberland mines form what is known as the Great Northern Coal Field. The tonnage of Durham and the number of persons employed are in excess of any other of the British coal fields. In South Durham alone, 55,969 persons were employed about the mines in 1882, and 21,780,808 tons of coal raised, while North Durham and Northumberland would increase these figures to 98,866 persons, and 36,299,597

tons out of a total for the United Kingdom, of 503,987 persons, and 156,499,977 tons.

For fifteen years the rates of wages in this district, as well as all minor differences, have been settled by mutual agreement or arbitration, and peace, if not always contentment, has existed. The negotiations as to wages and all disputed questions in most of these years have been carried on by the executives of the two associations, the Durham Miners' Association for the workmen, and the Durham Coal Owners' Association for the operators, the former reinforced since 1879 by the Enginemen's, the Mechanics', and the Cokemen's associations. Both of the former are strong organizations, each commanding the entire confidence and support of the body which it represents. The Miners' Union, which includes nearly all classes of labor about the mines, is very strong, well officered, and directed by men of undoubted ability and prudence, and able to compel, not by force, but by moral means, the unhesitating acceptance by the vast army of coal workers in Durham of any agreement entered into by its representatives with the representatives of the Owners' Association, or any award given by the arbitrators or umpire.

These two associations were organized about 1871. From that date up to 1876, all advances or reductions were arranged at regular intervals, either by mutual agreement or by arbitration, while smaller or local differences were adjusted by a joint committee of the two associations. In September, 1876, it was suggested, in order to save trouble and annoyance of repeated arbitrations, that a sliding scale, based upon the selling price of the coal at the pit's mouth, be agreed upon. Such a scale was arranged March 14, 1877, and put in force the following April.

This scale was to be in force by its terms for two

years. Before it expired the selling price of coal fell much below the minimum and the scale was subjected to a severe strain. When it ended by its limitation the operators asked a reduction below the minimum. The necessity for such a reduction was conceded by the men, but no agreement could be reached as to the amount, and a short lockout ensued, but the question was soon settled by concessions and arbitration, and a reduction given. Other scales have since been adopted.

During the fifteen years that these harmonious relations have existed, in addition to the general arbitration and the adoption of these several sliding scales, hundreds of local questions have been settled peaceably, and it is the boast of both parties that they have always "acted in good faith, and with an honest desire to have every mutual settlement honestly confirmed."

In the three examples above given arbitration has taken the form of permanent, systematic Boards of Arbitration and Conciliation. In the one yet to be discussed, the iron trade at Pittsburgh, there have been only conference committees, or the form has been temporary committees of conciliation without any power of arbitration.

The first of these conferences, composed of representative men from each side—the employés representing the "United Sons of Vulcan," a trade-union—was held in Pittsburgh in 1865, and resulted in the formation of a sliding scale of wages to be paid for boiling iron. This is one of the earliest sliding scales ever agreed upon. At first only the wages for boiling iron were the subjects of these conferences, but shortly after 1870 workmen in the iron trade other than boilers formed associations, and, in conferences with the manufacturers agreed upon scales. In 1876 all of these unions were amalgamated into one, which has since appointed the members of these

committees representing the employés. The representatives of the employers were at first appointed at meetings of the employers called for that purpose, but latterly there has been a Manufacturers' Association, which has acted in this respect.

At first the agreements were in force until formal notice —generally sixty days' notice—had been given to abrogate them. Latterly the agreements are from year to year.

This system has many defects, while it has, at the same time, its advantages. It has by no means prevented strikes and lockouts. The employé members of the committee have, until the past year, usually been no more than a committee to present to the manufacturers the rates of wages the Union had decided upon—having no power to accept any terms but those which they had been instructed to accept. At the same time, it is fair to say that the information gained at these conferences has often led to modification of demands. These agreements, once reached, have in every instance been faithfully kept; the terms have been strictly adhered to, and, if any change in the terms of the agreement has been desired, the agreement has always been abrogated in the way named in its terms. A possible exception to this statement is in cases where certain classes of employés working under these scales have struck, though there was no question as to their wages, to assist in enforcing the demand of some other class of labor,—as when the rollers would strike to assist the puddlers to obtain a scale; but even in such cases it should be stated that the workmen do not regard it as in any fair sense a violation of their agreement.

CHAPTER IX.

SOME OBJECTIONS TO ARBITRATION.

THERE are certain objections both to the system and to the practice of arbitration that it is necessary to notice. Some of these have already been considered in discussing the relative merits of the different forms of arbitration and conciliation. There are others that are urged not against any particular form of the system but against the system itself and its results. It will appear that many of these objections to arbitration grow out of the adherence to certain economic theories, the soundness and applicability of which to labor differences have already been discussed. In discussing these objections it will be necessary to notice incidentally some of the benefits of the system.

One objection to arbitration grows out of the assumption that the right to decide questions that arise between employer and employed rests with the employer alone. When a decision is given labor's only choice is to accept the result or go elsewhere. An employer holding this belief naturally refuses to recognize a right of interference on the part of any employé or any committee or board or arbitrator, and treats the suggestion of a conference as an impertinence. Stripped of verbiage, this is an assertion that the right to dictate the terms upon which that labor, the wages of which are necessary to the very existence of the laborer, shall be performed, rests with the employer. It is a monstrous doctrine. It means slavery

or starvation, and it is a theory that society for its own safety should not tolerate for a moment. Labor is no longer in a state of industrial subjection, nor does it acknowledge even in theory that its wages come out of the employer's pocket. The employé on the one hand asserts both his industrial independence and his equality with his employer, and demands and will have, as his right, not as a favor, a voice and an equal power in the decision of the questions that affect his interests and his relations to his employer, his work, and his product. To attempt to abridge this right or to deprive him of it will prove ultimately a costly and abortive experiment. He insists further that as wages are paid out of product in which his labor as well as his employer's skill and the money of the capitalist are found, it is as truly his right as it is that of the employer to have a part not only in the distribution of that product, but in the decision as to the basis on which it shall be distributed. Capital is under no necessity to invest its accumulations in industries that shall employ labor, nor is an individual employer compelled to become an *entrepreneur*, but when capital invests and the employer undertakes and labor is brought in that production may result, then capital and the employer, equally with labor, must submit to the conditions into which they have voluntarily entered. The workman is a partner in production ; his labor under the present methods is one of the three indispensable factors in production, and as such is entitled to participate in the decision of questions that affect his interests, and to which he is a party. If this is true the objection urged is not valid. The decision of these questions is not with the employer alone.

Probably the most strongly urged objection to arbitration and conciliation is that it seeks to settle the terms

upon which work shall be done in the future. These, it is held, cannot, in the very nature of things, be subjects of agreement or award, as they depend on the course of future events, which is unknown. A decision, therefore, may not only be erroneous and injurious, but it may also interfere with what the economists of a certain school call industrial freedom, by which is meant an impulse to seek surely and swiftly the best markets.

So far as this objection is based on the assumed authority and sufficiency of competition, it has already been discussed. There is apparent force, however, in that part of it which asserts the liability to error arising from want of knowledge of the future. The elements necessary to accurate determination are wanting, and it is possible that the judgment of the board or umpire may be at fault and errors may occur, but are errors more likely to happen in a system which brings reason and deliberation to the estimation of probabilities than in one that takes passion or greed as its prophet? For it is to be remembered that these questions as to the future must be answered. They are ever present. They will not down. They cannot be ignored. They must be met, and whatever view may be taken of their legitimacy, they must be answered. Labor demands to know the terms upon which it is to toil before it will work. An answer to its demand being imperative, is there any method that has yet been suggested that promises to answer as justly or correctly as arbitration?

But it is by no means clear that the future is not a proper subject of agreement or award. There are many questions relating to methods of work and administration that most certainly are. Endless confusion and innumerable conflicts would result were not these details subjects of agreement beforehand. Further, the fixing of future

rates of wages is not only not theoretically unsound, but it is in accordance with the most obvious business practice and prudence. It is absolutely impossible in the present organization of industry that work should go on one moment without an agreement as to what wages shall be. This is too obvious to need discussion, and whether that agreement is for a year or for a day it is fixing future rates of wages. There may be a question as to the proper duration of the agreement, that is, how long the rates shall obtain, but there can be no question as to the necessity of some agreement. Further, such fixing of future rates of wages is exactly analogous to the very common and commendable practice of buying and selling goods for future delivery. Its advantages, in view of modern commercial methods, are beyond question. A rate of wages established for a fixed period justifies an employer in entering upon contracts for the purchase of materials and the delivery of goods with a certainty that cannot exist when these rates may be advanced to-morrow. As has been stated, the length of time an agreed rate of wages shall be in force is a subject for agreement the same as the rate itself, but even here the difficulties and injuries arising from frequent adjustments may be largely overcome by the adoption of sliding scales. Indeed these sliding scales remove many of the objections to fixing future rates of wages. Once agreed upon, under their operation, wages conform themselves to selling price, to the course of events, without confusion, without friction. It may also be said in passing that they are a practical recognition of the true theory of wages.

Another objection to arbitration is, that the awards and decisions are usually compromises. By this is meant that neither party to the submission gets what it asks, or there is what is termed "splitting the difference." Even if this

were true, it would not be surprising. It requires but little experience with labor differences to learn that it is by no means uncommon for both sides to demand more than they expect to get for the very purpose of having something to concede. This "higgling of the market" is as old as buying and selling. "*In medio tutissimus ibis*" is very often a safe rule in settling labor differences. But while this is true in very many cases, and as true where arbitration is not appealed to as when it is, I assert that the records of arbitration disprove the assertion that its results are usually "compromises." Even where an award between the demands of the parties is made, in but few instances is it "splitting the difference." The awards are, with rare exceptions, honest decisions based upon the facts and arguments presented. If it happens that they do "split the difference," that is not chargeable to arbitration.

Another objection to arbitration is that the awards are not accepted by one or both parties, or, as it is usually expressed, "are not lived up to." It is true that in some cases, much less frequently than is generally believed, the awards of umpires or the decisions of boards have been rejected after the parties have bound themselves by the most sacred of obligations, their honor, to abide by the result. But is there any method of settling labor differences of which the same cannot be said? Is the result of a strike or lockout any better "lived up to"? Would the parties who thus violate their pledged word of honor accept any decision, however reached, that did not accord with their views, or, in other words did not make them the judge and arbitrator? The objection lies not against the system. It is against the individuals it deals with.

But, granting that there are some instances of rejection of awards, is it not equally true that this is the only sys-

tem that provides for and secures the settlement of these questions for a definite time? When an agreement is reached or an award made and accepted, there is little doubt as to its being loyally observed. The wages of certain classes of skilled labor in the iron mills of Pittsburgh have been regulated since 1865 by what are termed "conference committees," which are really temporary committees of conciliation. In these twenty-one years there is not a single instance of the violation of an agreement once reached. Even when, as in one case, there has been such a change in values as to lead the manufacturs to suggest a change in the agreement favorable to the workmen, it was rejected by the employés on the ground that they would not consent to the least violation or change in the agreement, even in their own favor.

A more serious objection to arbitration in the minds of many is, that it seems to necessitate the existence and recognition of trades-unions and employers' associations, both to provide for the election of members of the board and to furnish that power that shall compel the acceptance of the awards.

It is not necessary, though it will usually be found advisable, to have the members of the board representing labor elected by labor in some organized form. There is, then, a tangible body responsible for the selection. To it appeal can be had, and by it discipline can be administered. An unorganized crowd is usually neither as deliberate, as wise, nor as conservative in its actions as one that has put itself under the restraint of laws, precedents, and officers.

But it is conceded that at present there seems to be no other authority possessed of the power, which at times is necessary to enforce obedience to awards, than that residing in unions. As has been pointed out, in all settle-

ments of labor differences by whatever method, the measure of success is the consent of the parties. Experience has shown that that consent is capricious and the honor and pledged word of the parties at times of little value. This is as true in settlements reached without arbitration as of those the results of this method. The necessity of a power strong enough to compel the acceptance of settlements and so constituted that it can enforce its commands, is evident. The state, as the embodiment of law and power, has been suggested, but in these matters it is powerless. It is evident that as the measure of power is the consent of the governed, the power to enforce the awards must come from the parties themselves—that is, unions. It will be found that the success of arbitration has been greatest where there have been strong unions to compel the acceptance of the awards.

It is not my purpose to discuss the advisability of unionism. From what has been said in previous chapters, it will be inferred that to the principle I give my hearty assent. I believe with the Duke of Argyle "that combinations of working men for the protection of their labor are recommended alike by reason and experience." What I desire to ask those who object to arbitration on this account is if their objection will do away with unionism, or if it will remove the necessity of recognizing and treating with unions in the near future. Unionism is here and it will not depart. It is growing yearly in power, in wisdom, and in organization. It cannot be crushed out; it will not permit itself always to be ignored or despised. Is it wisest to treat it as an enemy or a friend? Is it not best to make it, in the language of the Count of Paris, "a new element of productive power and an earnest pledge of peace."

The most effective pledge of industrial peace, in view

of the present constitution of industrial society and the conditions which obtain, is arbitration and conciliation, with strong unions to enforce its decisions. I speak of strong unions, for it is only a strong union that dare be just. A weak union which represents but a part of a section or trade is timid and cowardly and yet tyrannical, and seeks to make up in bluster and flagrant injustice what it lacks in power. But a strong union can be just and generous without fear of being charged with cowardice, and when there is beside it a strong employers' association, strikes and lockouts will be of rare occurrence, peace will be assured, and production go forward under the most promising conditions.

The last objection to be noted is that arbitration is not a success; that it does not settle labor differences nor prevent strikes and lockouts. That the labor or wages question is not settled is true. It never will be while the present relations of employer and employed continue. Arbitration never professed to settle it, but it is on the road to the place and time of settlement. Nor does arbitration profess to prevent strikes and lockouts unless the parties to them permit it to have the opportunity to do so—that is, unless it is called in to settle them. The question of the success or failure of arbitration has been clouded by a false issue. The true question is, has the system succeeded in those trades and those disputes in which it has been tried, not in those in which it has not been tried. Have these boards where they are in force solved the particular phases of the wages question presented to them without strikes and lockouts? As the result of a most careful inquiry and investigation, I do not hesitate to answer, yes. Further, I am forced to accept the testimony of the very able and intelligent men who have been prominent advocates of arbitration, such men

as Rt. Hon. A. J. Mundella, Sir Rupert Kettle, Thomas Hughes, Lord Derby, David Dale, and among the representatives of labor, Thomas Burt and Wm. Crawford, who represent the coal miners in Parliament; the late John Kane and Edward Trow, of the Ironworkers' Union, Geo. Broadhurst and Geo. Howell, the present and past secretaries of the Trades-Unions Parliamentary Committee. These and many others who have been connected with these boards in one capacity or another, without exception, declare that in the way of settling troublesome and difficult questions of wages without strikes and lockouts, boards of arbitration and conciliation have accomplished all their friends have claimed for them.

The two trades in which arbitration and conciliation has been longest in use and has been used most systematically and continuously, are the hosiery and glove trade at Nottingham, and the manufactured iron trade of the North of England. Previous to the establishment of boards of arbitration in these trades they were in constant ferment arising from labor troubles. Luddism had its christening if not its birth in the former, and there were three labor struggles in the latter in the year previous to the formation of its board. In the hosiery and glove trade since 1860, the year its board was formed, there has not been a general strike nor a single difference about wages that has not been settled amicably. As to the North of England iron trade, an article in the *Colliery Guardian* states that since the organization of its board in 1869, "there has been industrial peace in the district. Except in one isolated case, every decision of the umpires in the iron trades has been acquiesced in with unanimity." Now, here is the evidence of two trades in which it has been fairly tried, in one case for twenty-six years and in the other for fifteen years,—two

trades that in their character are very unlike. If the above statements are true, and they are susceptible of proof, it is a sufficient answer to the question of success. Though there may have been a thousand strikes in the Lancashire cotton trade, where it has not been in use, I fail to see what that has to do with the question of the success of arbitration. Though there may have been 277 strikes in other trades, the question at issue is, have there been any in the hosiery and glove trade at Nottingham, or in the manufactured iron trade of the North of England? Has it saved 50,000 Durham miners and five times 50,000 dependent upon them from the horrors of industrial war? Is not the fact that strikes and lockouts are frequent in other trades and not in these, an argument for arbitration and conciliation rather than against it?

THE END.

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